

Chairman's statement

It was my great privilege to join the Board of Charter Court in 2017, at a time when the Group had embarked on the next stage of its development as a publicly listed company.

By delivering a successful IPO and listing on the London Stock Exchange in October 2017, Charter Court reinforced its positioning as one of the UK's leading specialist mortgage and savings banks and created a strong platform for future growth.

Clear strategic focus on specialist mortgage model

Despite undergoing significant internal transformation and in the face of heightened market uncertainty and rapid regulatory change, Charter Court maintained its position as the UK's leading specialist mortgage lender in its core markets, by volume of mortgages generated. The Group also further developed its retail savings business by providing competitive savings products and personal, reliable service to over 100,000 customers.

This robust performance in uncertain market conditions both underlines the resilience of our business model and the ability of our management team to deliver our strategy.

Effective corporate governance

Throughout its history, Charter Court has been committed to delivering high standards of corporate governance, a commitment that remains firmly in place today. As part of our transition to a publicly listed company, in 2017 we undertook a review of our Board composition and corporate governance practices to ensure these will be fully compliant with the UK Corporate Governance Code, and aligned with the expectations of our current and future shareholders.

Through this process, we established a Disclosure Committee that, alongside our four committees, assists the Board in carrying out its functions. We also welcomed Noël Harwerth to the Charter Court Board as an Independent Non-Executive Director. She brings with her a depth and breadth of experience which will be of significant additional value to the Board.

For more information see Corporate governance on pages 46 to 89.

I would like to take this opportunity to extend my gratitude to Philip Jenks, who has served as Chairman of the Board since 2015. Philip has made a valued contribution in building the business, its governance infrastructure and the regulatory relationships that the Group enjoys today. Following the listing, the Board continues to benefit from his skills and experience through his role as Deputy Chairman.

As a Board, we recognise that effective corporate governance requires diverse perspectives and skill sets as well as personal attributes that are aligned with our corporate values. We remain committed to inclusion in all its forms and to achieving greater representation of women on our Board. This is already an important consideration during searches for new Board members and will be a key priority for us in the years to come.

Delivering value to our shareholders

In 2017, we adopted a dividend policy which envisages a pay-out ratio reflective of the growth profile of Charter Court's business. The Board currently targets a dividend pay-out ratio of at least 15% of the profit for the year, with the aim of increasing it over the medium term as our balance sheet continues to build. The Directors expect to commence dividend payments with an interim dividend in respect of the first half of 2018, which will be payable in the second half of 2018.

People are at the heart of our success

At Charter Court, we are very proud of the open, friendly and collaborative environment in which we work. Our high ranking of third in The Sunday Times Top 100 Companies to Work For 2017 reflects our strong culture, which is supported by the Board and executive management. At inception, Charter Court built a series of core values that still guide our employees' actions every day.

Recognising the valuable contribution of our employees, as part of Charter Court's IPO, all staff were given shares in the business and over 80% of staff joined the Group's Share Save Scheme.

For more information see Corporate responsibility on pages 37 to 45.

Outlook

The Board's strategy for the business is based on the belief that as experts across all key areas of mortgage origination and distribution, risk management, capital and liability management, Charter Court is very well positioned to serve the significant specialist market segments we target.

The Board is committed to supporting Charter Court's continued operational development and remains confident in the Group's ability to deliver strong, sustainable returns for its shareholders.

I would like to thank all colleagues for their dedication and commitment, our customers and intermediaries for their continued trust in Charter Court and all of our shareholders for their ongoing support.



Sir Malcolm Williamson
Chairman

“ I am pleased to report on a year of considerable progress and achievement for Charter Court. ”

Sir Malcolm Williamson,
Chairman

